



STAFF REPORT

RESOLUTION AUTHORIZING REFUND OF GENERAL OBLIGATION TAX OVERPAYMENT AS A SEWER SERVICE CHARGE CREDIT TO BE INCLUDED IN THE FY 2004 COUNTY OF SAN MATEO PROPERTY TAX ROLL

June 24, 2003

Honorable Mayor and Members of the City Council:

Summary: In FY 2001-2002, the City over-collected \$13,343 on General Obligation debt service taxes, which were included in the County of San Mateo's annual property tax rolls. Therefore, it is recommended that a refund be made to the taxpayers in the form of a credit against the sewer service charges, which are included in the FY 2003-2004 County of San Mateo's property tax roll.

Background and Discussion:

In FY 2001-2002, the City collected general debt service taxes totaling \$24,487 against expenditures of \$11,144. As a result, a refund is owed to the taxpayers in the amount of \$13,343.

In order to return these funds in an efficient and cost-effective manner, it is recommended that the refund be made as a credit to the FY 2003-2004 sewer services, which are included in the County of San Mateo's property tax roll. By including the refund with the sewer service charges, the City avoids paying the County's \$1.25 per account processing fee which, if paid, would negate most of the refund.

Because of the sums involved ($\$13,343 / 8,138 \text{ parcels} = \1.64 per parcel), staff further recommends the refund be made as a flat amount and credited evenly to all parcels.

Follow Up:

1. Include \$13,343 credit/refund in FY 2003-2004 sewer service charge calculations.
2. Transfer \$13,343 from the General Obligation Debt Service Fund to the Sewer Enterprise Fund.

Fiscal Impact: The proposed credit will offset FY 2004 sewer fees by \$13,343.

Recommendation: Adopt resolution as proposed.

Alternatives:

1. With direction, refer this matter back to staff for further consideration.

Public Contact:

1. Meeting was agendized.

Attachments:

1. Resolution

Respectfully submitted,

Thomas Fil, Finance Director

Jere Kersnar, City Manager

I:\Staff Reports\Pending Staff Reports\070803 Sewer Credit.doc

RESOLUTION NO. _____

RESOLUTION AUTHORIZING REFUND OF GENERAL OBLIGATION TAX OVERPAYMENT AS A SEWER SERVICE CHARGE CREDIT TO BE INCLUDED IN THE FY 2004 COUNTY OF SAN MATEO PROPERTY TAX ROLL

WHEREAS, the City over-collected General Obligation debt service taxes in FY 2001-2002;
and

WHEREAS, the remaining fund balance of \$13,343 needs to be refunded to the taxpayers; and

WHEREAS, a credit of \$13,343 will be transferred from the General Obligation Debt Service Fund to the Sewer Service Fund for this purpose; and

WHEREAS, it is recommended that the refund be made as a flat amount and credited evenly to all parcels and included as a sewer service charge credit in the FY 2003-2004 County of San Mateo property tax roll; and

NOW, THEREFORE, BE IT RESOLVED by the City Council that a \$13,343 credit for over-collection of the General Obligation debt service tax in FY 2001-2002 be included as a credit to the sewer usage charge for FY 2004 included in the County of San Mateo's property tax roll.

.....

I hereby certify that the foregoing Resolution was duly and regularly passed and adopted by the City Council of the City of Belmont at a regular meeting thereof held on July 8, 2003 by the following vote:

AYES, COUNCIL MEMBERS: _____

NOES, COUNCIL MEMBERS: _____

ABSTAIN, COUNCIL MEMBERS: _____

ABSENT, COUNCIL MEMBERS: _____

Clerk of the City of Belmont

APPROVED:

Mayor of the City of Belmont